

*A Way to Secure our Wealth now Money is
Scarce. Proposed in a Letter to a Person
of Honour.*

My Lord,

Although all who know your Lordship most justly esteem your Judgment, and do acquit you of centering in Private Interest, or pleading for it; yet on the 15th Instant, after I had sent an Answer to your late Letter, perusing the List of Adventurers in the Bank of England, and not finding your Name there, I was confirmed in that Opinion; and it added greater weight unto what you were pleased to write to me in the following words;

I had a Month ago a Letter from Mr, — to assist in procuring Credit to the Exchequer Notes, but could not serve him in it. Upon that, and all Occasions, I am endeavouring to shew that the only way to make Money circulate again, is to restore the Bank to its former Credit, which is my Opinion grounded upon much Consideration. The late Prints speak of another revival of the Bank, I am sorry we will not understand our own Interest.

Your Lordship, I see, doth consider the relation of things one to another, under the Notion of Means and End, for Common Good, which is Wisdom becoming every Individual in Society; but more especially, the Magistracy of this Kingdom, whereof your Lordship with the Lords are the more Noble part. Tho' your Lordship hath said much in little, yet I wish we had more from you. It hath put me upon Motion (as you will see by the Enclosed) tho' to little purpose, yet in hope that your Lordship will interpret it as the sincerely intended, tho' weak, Endeavour of,

My Lord,

London, 17. Aug.
1696.

*Your Lordships Devoted and most
Obliged Servant.*

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A State of Our Case.

THE Government calling in the Silver Money to Coin it anew hath occasioned a great Deficiency of it, and at the same time, the Proposing to set up a second Bank, destroyed the Credit of the Nation, both at Home and Abroad. A great Debt is upon the Government; the Poor must be employed; the Navy and Army must be paid: Nothing but Money can do it; and if not done we shall not be in Peace: And if Tumults happen at Home, Our Trade and Credit is at an end Abroad.

In Exchange, and all Negotiations requiring Sums of Money (for many Years past till *May* last) all Purposes (the Foreign as well as Home) were served with the Currency of Paper equal to Money. And for Thirty Years past there hath not been in *England* a sufficiency of Money to answer One Third of the Payments Yearly made in it.

The *Bank of England* hath a great Debt upon it, a greater Owing to it from the Government, (if that stand, the *Bank* cannot fail); and if the *Banks* Credit be continued, and People use it as they did in the Years 1694 and 1695, it will support the Government, and supply the Peoples Occasions for Payments, and for Money now, and for Years to come, as well as it did then: For that it is the proper Business and Capacity of this *Bank* to manage 100 *l.* in Currency, to make it answer ten times the value in Payments. And the Foundation of the *Bank of England*, in point of Stability and Sufficiency to answer the Value trusted in it, and the Management of it, in point of Honesty and Skill, in the Hands where it is Lodg'd at present, is without the appearance of a Cause of Suspicion, and therein doth Equal, if not Excel, any other Security either at Home or Abroad.

Advice

Advice &c. on the Case.

THis being the true state of our Case, let us Consider and Infer from it what is for Common Benefit at present, and for the future. Let our Consideration here include Comparison. Consider we the Case in compare with the past, (both before the *Bank* and since) and with the future, in case the *Bank* should stop, or cease to be, during the War; or before the Government be got out of Debt, or before we have Gold or Silver sufficient to Coyn for all Payments.

WE are engaged in War, which conjunct with our large Traffick doth require greater Payment, and more frequent than ordinary; and it will be very beneficial to us to be punctual and easie in it at this time. *Hic labor hoc opus est.* Many are of Opinion that only Money can do it; and therefore they advise us to purchase it without delay, and at any rate. But I think we ought to look before we take so great a Leap. All who know *England* will grant, that the Ordinary Means of Encreasing Our Wealth is Foreign Trade so Manag'd, that the Ballance be for Us, not against us. And they will grant too, that Gold and Silver (whereof Our Money is made) is not Home but Foreign Product; and that no more of it doth enrich Us, than what comes to Us in payment of the Debt which Foreigners do Owe to Us: We may then be the more Wealthy when we have the less of Money. A full Cash may be a Good, and it may be an Evil to us. Therefore it ought to be considered, not Abstractly but Relatively, *viz.* how it comes to us, and how we use or value it when we have it: For if Gold or Silver be bought too dear (as it may), or if it be over valued or Jobb'd with when we have it, it will alike encrease our Necessity, and Confusion, and in fine, be fatal unto us, as in fact it did of late, whilst *Guineas* were advancing from 22 to 30 s.; and will, if not timely prevented, do the like again by advancing

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cing Money above Paper ; at least, above those Bills which have the Authority and Wealth of the Nation obliged for their Value, which will be certainly paid as the Kings Revenue laid upon all our Estates comes in, and which in the mean time passing from one to another for Payment of any Sum of 20 *l.* and upwards, will serve all Occasions as well as Money : nay better, in point of Ease, Dispatch, safeguard from Theft, and loss by bad Money and short telling, &c. as hath been Experienced for many Years last past ; and will also restore to us the Benefit that the *Bank of England* brought to this Nation in Lowring Interest, Discounting Bills and Tallies, Lending upon Pawns and Mortgages at Easie Rates, and in supplying the Armies and Fleets at Home and Abroad with more speed and certainty than ever was done before : And in all these together saving to the Nation more than a Million of Money since the said *Bank* hath been in exercise.

If whilst we had more Money in Tale, but would not finger it, we found our Account so well in turning the current of the main of our Receipts and Payments through the *Bank of England*, I see no Reason why we should not do it still whilst our Money is much less in Number.

I am sure we need the *Banks* Assistance now more than ever ; and if we will make use of it in the Method we did until the 4th of *May* last, we shall find our Account in it better than before. For beside the Advantages I have mentioned which will be renewed to us, we shall force out the Money hoarded up in expectation of a higher *Premium* ; and if (which is scarce possible) we should fail of that, we shall not much need it : For with the Assistance of the *Bank of England*, and the Money we have, we shall be able to answer all Occasions, until such time as Gold and Silver comes from Abroad to enrich us, in Payment of the Foreigners Debt to us, not to make us poor in casting us into farther Debt to them. In the one way we receive it as Creditors, it is Gain, and being our own will remain with us : If
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the other, we receive it as Debtors, and being not ours, it will not stay with us, but must be repaid *in specie*, or by Bills of Exchange, with great loss to us. You see then at worst, with a little Money and the *Bank*, we may encrease, or at least preserve, our Wealth if we will; but if we will not, we must endure the Consequence, which will be very grievous, if not Ruin to us.

The People of *England, &c.* in Interest are embarked in the *Bank* Paper more than in all Paper beside: *Money* is their Subject, at most it is but their Equal, they may reach it at pleasure, and command from it what is possible, and best for themselves. Our Trade cannot subsist to near the degree past, or present, without Paper Credit. The Value of its Paper will be surely paid in time, and sooner than other. It never was, and now especially it is not, possible to make all Payments in Money, nor will it ever be possible (if we be Wise) until such time as Gold and Silver, sufficient, doth flow to us from Abroad, as Creditors. And the more Currency we give now to *Bank* Paper, and the more we Equal it at present to Money, the more we do encrease our Wealth, and the sooner we shall attain to the gainful and lasting possibility of paying all in Money.

In time of Peace, which I hope is near, and will be our more continuing or general State, the Seas being free for Traffick, the Ballance with *Holland, &c.* will be for us. Trade (and nothing else) will bring us Gold and Silver plentiful, gainful, and to remain here. We ought therefore to shift as we can at present, and with Patience wait for a full Cash till it comes to us that way. Until then let us make what Money we have as diffusive as we can, satisfying the most Mutinous Occasions to keep Peace at Home, and those which ever were, and can be only supplied with Money. All other Occasions (the Foreigners not excepted) especially those which do require 20 *l.* or more, will be answered as well by *Bank* Notes as with Money. And this is conformable to our general practice for many Years past, down to the
4th.

4th of *May* last, and to the Usage of *Holland, &c.* who pay their Bills of Exchange, &c. in *Bank*.

Until the Parliament have redeem'd their Mortgage to the *Bank of England*, it seems Unjust to create another : And the inconvenience of having more than One *Bank* in a Kingdom makes it Imprudent to do it ; and by late dear bought Experience we do find that it is Unsafe to Offer at it.

When our Strength is small in Cash, as now it is, it is our Wisdom to enforce our Credit all we can ; not by Compulsion, but by Methods most agreeable to Popular Inclination, and which have a Native gentle force in them, such as turning the Currant of the Main of our Receipts and Payments through one Channel or *Bank*, there where the People (at Home and Abroad) choose rather than other, or do least suspect a failure at last, or have been wonted unto, and do esteem honest, and cannot be otherwise without a present discovery, because of their Legal Bounds and open Methods ; or have such Legal Valuable Funds as they cannot pack up, and are Personally so numerous that it is next to impossible they should run away. Such is the *Bank of England* ; which is also Situated the most Commodious of any for General Business ; and the *Directors* of it are of good Reputation and Credit, none more, both at Home and Abroad. From the Premises it is evident, That until Gold and Silver come plentifully, and with Gain, to us, it will greatly benefit *England* if the *Bank* do manage the main of our Receipts and Payments, Discount Bills and Tallies, Lend upon Pawns and Mortgages, as it did before the 4th of *May* last, and that it be assisted all we can : Not expecting impossibilities from it ; nor dividing *Bank* Notes to multiply Duns ; nor pressing for Money to buy Notes under Value, the old practice with Guineas in a new form, and as hurtful to the Kingdom in general ; nor demanding upon it in Crowds (which hinders dispatch, and is tyresome on all sides) ; nor complaining of it without Cause : But Pay and Receive as formerly in the *Bank*.

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We press'd our Cash into the *Bank* ; the Nations Peace was preserv'd by its receiving our Clipt Money, when no other would. We knew at that time, the Government, for the good of the whole, would not permit it to pass in any Payment (after the 3d of *May* last) except to the King for Taxes, &c., or in Loans upon remote Funds : And that the Consequence would be as it now is. Wherefore our permitting the Money to remain in the *Bank*, whence we might have taken it but would not, is an admission that the *Bank* was no more than our Agent, to transact for us the Loans to the King ; and that we should not demand our Money, but as it came in from Him to whom it was Lent. And towards them who did not then foresee nor know these things, the *Bank* is excused from guilt by the Irresistible Authority that call'd in all the Money to Coin it anew, and appointed the aforesaid Loans : And when for Common Good such like Accidents do bring a Natural Impossibility upon any Debtor to pay at present, the Law of Nature or Nations seems to oblige us to stay till it can be done : And in the present Case we may do it without Pain, because it will surely be Paid, and in time not very remote.

Whatever was paid into the *Bank* before *May* last, being Clipt Money, (for the *Bank* had scarce any Guineas) if it had been any where else, must have been Coined anew, and Lent to the King upon Funds very remote. The Proprietors then could have had no part of their Money till the Funds came in course. But the *Bank* hath paid every one some of their Money, goes on paying dayly, and will have paid the Whole by the time the Funds come in course for Payment ; and in the Interim the *Bank* Notes pass for Payment in Trade, &c. All this (whereon our Peace at Home doth much depend) the *Bank* of *England* hath done, and will do for us ; but no other can. Admit that *A.B.* in *April* last having 400*l.* in Clipt Money, Lent 100*l.* to the King on Wines, &c. 100*l.* to the *Bank* on a *Bank* Bill, 100*l.* to a *Goldsmith* on his Note, and the other 100*l.* remains with him ; which of these will be soonest and cheapest New Money to him ? Whilst

Whilst by reason of the Obstruction of Trade, and paying our Army and Fleet Abroad (which will be during the War) we are in Debt to our Neighbours, and Money is scarce, the only safe and profitable course we can take to enable us to make Payment, is, for increase of our Cash, to bring or call in our Plate to Coin it, and supply the rest with Paper, to avoid the encrease of our Debt to Foreigners, until by Trade we bring them in Debt to us; which in time of Peace will be soon done, in case we do not through neglect of the proposed Means, or by other ways advancing the Value of our Money in Name or Opinion, too far now swell our Debt to them.

Obj. *No Credit can be hop'd for, nor will Paper pass till we have Cash to answer it upon demand, as in the Bank at Amsterdam, whose Payments in Bank are deemed better than Money.*

Ans. 1. Admit the Bank at Amsterdam hath Cash or Bullion to answer all Demands (though many do much doubt it) yet the People there are too Wise to handle the Money; they only write off in Bank from one Persons Account to another.

2. The Bank of Englands Ability to answer all Demands is Equal to *Amsterdams*, and lyeth with or in its self (as *Amsterdams* doth, or is supposed to do) in a perpetual Annuity of 100000 *l. per Annum*, and in Orders and Tallies upon Parliamentary Funds; for the true Payment whereof the Real and Personal Estates of *England* are obliged; also in Pawns which answer Money; and likewise in the sum of 480000 *l.* which the Adventurers are Personally bound to answer, when required. All these in conjunction with the Probity of the *Directors*, may reasonably be deem'd as good to answer all Demands as the Bank at *Amsterdam*. And that this should not effect the like here, as that there, is matchless Imprudence and Folly in us at this time, when Money is not to be had but upon terms that do impoverish and confound us; and when Bank Paper, if we do not depretiate it, will do the same thing in Payment as Money, where the Sum required is 20 *l.* or upwards.

F I N I S.

A safe and easy Method for supplying the want of Coin, and raising as many Millions as the Occasions of the Publick may require. Humbly offered to the consideration of the present Parliament. With some Remarks upon the Bank of England, Dr. Chamberlain's Bank, the Land Bank, so called, and the National Land Bank.

Ego certe reus non deo: & quicquid acciderit, a quo mea culpa abis, animo tora seram. Cic. Cornificia.

I cannot be denied, that the want of good Coin gave rise to the several Banks now on foot, by which many private Persons have enriched themselves, and more probably expect to do so without benefit to the Publick. It being evident, that every Summ paid by Bill or Credit is in effect, for the time, as Bills do pass to much Money added to the Coin of the Kingdom. But it is to be premised, that the Parliament will give a check to that endless increase of Bills of Credit, which upon the failure of any of the Banks to answer in specie, when generally called for, may prove a greater mischief than that which they would remedy.

If therefore a way can be found to supply the want of Coin by Credit, and that Credit to have so true a Foundation, that it shall certainly be made good in specie, and that within few years, which has not been pretended to by any Proposer of Banks, this may at the least deserve to be considered in Parliament: where what is crudely proposed may be maturely digested and improved, by the collective wisdom of the Nation.

Wherefore it is proposed.

1. That a Fund of 5000000. per an. more or less, according to the Summ to be raised, be settled for eight Years, or if for a longer time, a less Fund; and this may be of such a nature, as may give general satisfaction:

but to name a Fund which may be rejected, might prejudice a Method applicable to any good Fund.

2. Let the Money arising by the Fund be paid into an Office, to be erected at London, or within the Suburbs, to be called the Crown Bank, or Publick Bank. For which Office let there be as many Commissioners, or Directors, as the Parliament shall think fit; they to be intrusted to appoint Collectors, and other Officers, and to ascertain their Salaries, and the like.

3. That Bank let there be drawn on Paper, or Parchment, or thick Paper, made there, and impressed with Great Seals, or some other particular Characters, in a Bill for that purpose, so many Bills from 5 l. to 100 l. signed by 5 Commissioners or Directors at the least, as shall make up as many Millions as are wanting: let each of these Tickets have its particular Number, and the Year expressed in which it is to be brought back into the Office, and there discharged: Let the pieces of Vellum, or Parchment, or thick Paper, be cut in the middle of the Impression, and let that part which has the other half of the Impression be kept in the Office, having upon it the same Number with the other, and a Memorandum of the Summ contained in it, and be signed as the other.

4. Let all the Bills be current at the Values expressed in them, and immediately pass in all Payments as lawful Coin, and be Assignable.